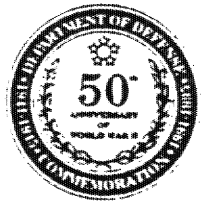




ACQUISITION AND
TECHNOLOGY

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON DC 20301-3000



20 AUG 1998

MEMORANDUM FOR SERVICE VICE CHIEFS

SERVICE ACQUISITION EXECUTIVES
PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE
(ACQUISITION AND TECHNOLOGY)
DIRECTOR, OPERATIONAL TEST AND EVALUATION
DIRECTOR, FORCE STRUCTURE, RESOURCES, AND
ASSESSMENT (JOINT STAFF)
DIRECTOR, BALLISTIC MISSILE DEFENSE ORGANIZATION

SUBJECT: Development of an Implementation Plan to Streamline the Science and
Technology, Engineering, and Test and Evaluation Infrastructure – Section 912(c)

On August 17, 1998, the Under Secretary of Defense (Acquisition and Technology) signed the Charter for the Science and Technology, Engineering, and Test and Evaluation Senior Steering Group to develop an implementation plan to streamline the science and technology, engineering, and test and evaluation infrastructure (attached). The Charter calls for the Deputy Director, Defense Research and Engineering (Laboratory Management & Technology Transition) and the Director, Test, Systems Engineering & Evaluation to direct and oversee working groups to conduct studies of technology requirements and capabilities of our in-house laboratories, engineering centers, and test centers. We will integrate the outputs of the working groups to develop a set of recommended options for a comprehensive RDT&E structure for the future and present these options to the Senior Steering Group for review. The output of these efforts will be an implementation plan, with timelines, that considers laboratories, engineering centers and T&E centers together. The working groups are to include members nominated by the SSG members (addressees) and shall include members with laboratory and test and evaluation experience, from the practitioner, facility management, and resource management perspectives.

To support this requirement, we are requesting that you nominate flag officers or members of the Senior Executive Service to serve on a Laboratory Infrastructure Working Group and a Test and Evaluation Working Group. For the Military Departments, we request that each Service provide two representatives to serve on each group; one member from the Service headquarters and the second member from a laboratory or test and evaluation center. We anticipate a first joint meeting of these working groups on September 9, 1998, in Pentagon room 5C1042, from 1200 to 1500. We anticipate that, during the development of detailed study plans, additional requirements for subject matter expert support to the working groups will be identified. Your working group nominees should be empowered to obtain this additional support, as required.



An early requirement for Service representatives will be to lead a review of their Department's intra-Service plan for reducing operations and support costs for its in-house laboratories, engineering centers, and test centers. The intra-Service plans should include a range of savings that could be achieved via alternatives along with supporting documentation. These plans will be used to compare with a cross-Service evaluation of savings opportunities to be developed by the working groups, and we request they be available for evaluation by the working groups by November 15, 1998.

Your support and cooperation in responding in a timely manner will be greatly appreciated. Please notify Dr. Lance A. Davis at (703) 697-4789 and Dr. Patricia Sanders at (703) 695-7171 with your nominations and a point of contact for further arrangements by September 1, 1998.



Lance A. Davis
Deputy Director, Defense Research
and Engineering (Laboratory
Management/ Technology Transition)



Patricia Sanders
Director, Test, Systems
Engineering and Evaluation

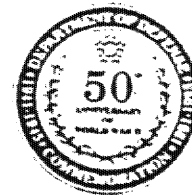
Attachment
SSG Charter

cc:
ACOM
Director, DISA
Director, DSWA
Director, DARPA
Director, DLA



ACQUISITION AND
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010



17 AUG 1998

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DEPARTMENT OF DEFENSE INSPECTOR GENERAL
DIRECTOR OF OPERATIONAL TEST AND EVALUATION
DIRECTOR OF ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

Subject: Development of an Implementation Plan to Streamline the Science and
Technology, Engineering, and Test and Evaluation Infrastructure

Under Section 912(c) of the National Defense Authorization Act for Fiscal Year 1998, the Secretary of Defense conducted a review of the organizations and functions of the Department of Defense acquisition activities and of the personnel required to carry out those functions. In the Secretary's letter to Congress transmitting the report required by section 912c, he committed to a study to lead to streamlining the science and technology, engineering, and test and evaluation (T&E) infrastructure. In a memorandum dated July 13, 1998, the Secretary assigned to me the responsibility to implement the report.

Accordingly, I direct establishment of a Senior Steering Group to advise me on intra-Service, cross-Service, and by warfighting technology area, the requirements and capabilities of all components of DoD to conduct science and engineering (both Product Center engineering and systems engineering) and on intra-Service and cross-Service capabilities of test and evaluation facilities and ranges. The output of my study will be an implementation plan, with timelines, for restructuring and revitalizing the laboratory, engineering and T&E infrastructure. The charter for the Senior Steering Group and the study are attached.

As specified in the Charter, the Senior Steering Group shall provide a report on its conclusions and recommendations to me by April 1, 1999.


J. S. Gansler



CHARTER FOR THE SCIENCE AND TECHNOLOGY, ENGINEERING, AND TEST AND EVALUATION SENIOR STEERING GROUP AND INFRASTRUCTURE STREAMLINING STUDY

INTRODUCTION AND BACKGROUND

Joint Vision 2010, the Department's conceptual template for achieving the required levels of effectiveness in joint warfighting, depends heavily on DoD's ability to leverage new and emerging technological opportunities.

AUTHORITY AND DIRECTION

The Under Secretary of Defense (A&T) is establishing a Senior Steering Group (SSG) to advise him on the development of an implementation plan for streamlining the Science and Technology, Engineering, and Test and Evaluation infrastructure. The SSG will be chaired by the USD (A&T) and will include the Service Vice Chiefs, the Service Acquisition Executives, the Principal Deputy USD (A&T), the Director, Defense Research and Engineering, the Director, Operational Test and Evaluation, the Director, Force Structure, Resources and Assessment, the Joint Staff, the Director, Ballistic Missile Defense Organization and the Director, Test, Systems Engineering and Evaluation. The Director, Test, Systems Engineering and Evaluation (D,TSE&E) and the Deputy Director, Defense Research and Engineering (Laboratory Management & Technology Transition) (DDDR&E(LM&TT)) shall direct and oversee working groups to conduct studies of technology requirements and capabilities of our in-house test centers and laboratories/engineering centers, respectively. The outputs of the working groups will be combined to recommend a comprehensive RDT&E structure for review by the SSG. The recommendation will include an implementation plan, with timelines, that considers laboratories, engineering centers and T&E centers together. The working groups will include members nominated by the SSG members and shall include members with laboratory and test and evaluation experience, from the practitioner, facility management, and resource management perspectives. The study will use the definitions of "laboratories", "test and evaluation centers" and "infrastructure" developed as part of the "Vision 21" study (Attachment 1).

STUDY OBJECTIVES

The study will evaluate, intra-Service, cross-Service and by warfighting technology area, according to the taxonomy developed under Vision 21, the requirements and capabilities of all components in DoD to conduct science and technology, engineering (both Product Center engineering and systems engineering), and test and evaluation. The study will establish the desired RDT&E infrastructure necessary to accomplish the Department's technology program for the 21st Century.

Since Services and Agencies are not organized in the same manner, and similar facilities and ranges appear in different organizational areas within the Services/Agencies, the study will review all laboratories and T&E facilities internal to each department and across the Components regardless of discipline and use. It will identify unwarranted or unnecessary duplicative capabilities and determine where major functional efforts could best be focused, considered from a total systems viewpoint and not from a component viewpoint.

Recognizing the present and likely fiscal constraints under which the Department will operate, it is critical that that RDT&E infrastructure operate as efficiently as possible. At a minimum then, the recommendation and implementation plan will include intra-Service/Agency and cross-Service/Agency actions to reduce infrastructure costs (overhead and general and administrative expenses) by at least 10% by FY2001 and by at least 25% by FY2005 against a baseline of September 30, 1996 for both laboratories and test and evaluation centers. A management information tool (the Cost-Based Management Tool-CBMT) will be put in place within 60 days of the signing of this Charter that allows ongoing tracking of the true costs of laboratory/engineering center/T&E center operations against which the metrics may be measured. The CBMT data shall be certified by the Components.

Taking into account the study findings, the D,TSE&E and DDDR&E(LM&TT) will develop an implementation plan for restructuring, reorganizing and revitalizing the laboratories, engineering centers, and test and evaluation centers, subject to existing authorities. The D,TSE&E and DDDR&E(LM&TT) will be guided by the following considerations:

1. The method by which DoD will remain a "smart acquirer".
2. Opportunities to achieve efficiency and reduce unwarranted and unnecessary duplication of efforts by consolidating responsibilities for research, development, test, and evaluation, by area or function.
3. Opportunities for competitive sourcing of non-core functions, innovative leasing arrangements of government land and facilities to private sector organizations and other such arrangements to reduce operating expenses.
4. Reforms of the management processes of DoD laboratories and test and evaluation centers that would reduce costs and increase efficiency in the conduct of research, development, test and evaluation in support of National Performance Review goals. Economies which could be achieved by combining separate Lab and Test and Evaluation managements.
5. Benefits of bringing the test ranges and test facilities together under one management structure, based on the principle that DoD's critical test resources are national assets.

6. Opportunities for DoD laboratories and test and evaluation centers to carry out cooperative activities with laboratories in industry, academia, and other Federal agencies, using competitive procedures, where market forces can be utilized for maximum innovation as well as cost, schedule and performance benefits.
7. Alternate organizational structures and reporting chains such as bi-service or tri-service commands, joint rotating commands, GOCO operations, or executive service responsibilities. Ensure that such operations are supported in Program Objective Memoranda by all stakeholders, e. g., the Service components of a joint command.
8. Total cost to the taxpayer (all funding and personnel, direct and indirect costs) of all functional areas for each service.
9. Options for and impediments to reinvesting cost savings in the DoD laboratories and test and evaluation centers.

SCHEDULE

The Senior Steering Group shall review the implementation plan and advise the USD(A&T) on the recommendation by April 1, 1999. The D,TSE&E and DDDR&E(LM&TT) will provide interim reports on their progress to the SSG each 60 days after the effort begins. They will report their plans for proceeding to the SSG not later than October 1, 1998.

RELATED STUDIES

As part of the Department's response to Section 912(c) and as part of previous management initiatives, there are additional studies which are complementary to and should be coordinated with the RDT&E Infrastructure Structure study chartered here. These include:

Recruit, Develop and Retain Technology Leaders: The quality of the personnel who staff the Department's RDT&E organizations is key to the ability of those organizations to perform their missions with the highest possible competence. This study is intended to look at policies and mechanisms to ensure DoD's ability to attract, reward and maintain a high quality workforce. This study will be conducted by a DoD Steering Group.

Integrated Test and Evaluation Process: The purpose of this study is to examine developmental and operational T&E processes and recommend improvements and

reengineering that will reduce test cycle time and cost. This study is being conducted by a Defense Science Board Task Force on Test and Evaluation.

Technology Capabilities of non-DoD Sectors of the Government, Industry and Academia: This study will examine by warfighting technology area the capabilities of other technology providers and provide real-time feedback to the in-house RDT&E study to allow for informed decisions on, for example, competitive sourcing of technology. The study will be conducted by a Defense Science Board Task Force.

National Test Facility Advisory Council studies: These studies are examining various categories of test facilities operated by DoD, NASA and industry to optimize the efficiency of key national assets and facilitate restructuring decisions.

Laboratory Definition

The definition of a laboratory is any DoD activity that performs one or more of the following functions: science and technology, engineering development, systems engineering, and engineering support of deployed material and its modernization. Each Service and DoD agency organizes differently for such functions, but the term embraces laboratories; research institutes; and research, development, engineering, and technical activities.

List of DoD Laboratories

Office of the Secretary of Defense

Armed Forces Radiological Research Institute, Bethesda, MD

Army

1. Army Research Lab, Adelphi, MD
2. ARL, Aberdeen Proving Grounds, MD
3. ARL, White Sands Missile Range, NM
4. ARL, NASA, Langley, VA
5. ARL, NASA, Lewis, OH
6. Natick Research, Development and Engineering Center, Natick, MA
7. Aviation Research, Development and Engineering Center, St. Louis, MO
8. Aviation Troop Command, Aeroflight Dynamics Directorate, Moffett Field, CA
9. Aviation Troop Command, Aviation Applied Technology Directorate, Fort Eustis, VA
10. Edgewood Research, Development and Engineering Center, Aberdeen Proving Ground, MD
11. Communications Electronics Command Research, Development and Engineering Center, Ft. Monmouth, NJ
12. Communication Electronics Command Research, Development and Engineering Center—Night Vision Electro-Optics Directorate, Ft. Belvoir, VA
13. Missile Research, Development and Engineering Center, Redstone Arsenal, AL
14. Armaments Research, Development and Engineering Center, Picatinny Arsenal, NJ
15. Armaments Research, Development and Engineering Center, Benet Labs, Watervliet Arsenal, NY
16. Tank-Automotive Command Research, Development and Engineering Center, Warren, MI
17. USA Research Institute of Infectious Diseases, Ft. Detrick, MD
18. Walter Reed Army Institute of Research, Washington, DC
19. Institute of Surgical Research, Ft. Sam Houston, TX
20. Aeromedical Research Lab, Ft. Rucker, AL
21. Medical Research Institute of Chemical Defense, Aberdeen Proving Ground, MD
22. Research Institute of Environmental Medicine, Natick, MA
23. Construction Engineering Research Laboratory, Champaign, IL
24. Cold Regions Research and Engineering Lab, Hanover, NH

ATTACHMENT 1

25. Topographic Engineering Center, Alexandria, VA
26. Waterways Experiment Station, Vicksburg, MS
27. Research Institute for Behavioral & Social Sciences, Alexandria, VA
28. Simulation, Training and Instrumentation Command, Orlando, FL
29. High Energy Laser Systems Test Facility, White Sands Missile Range, NM

Navy

1. Naval Air Warfare Center, Weapons Division, China Lake, CA
2. Naval Air Warfare Center, Weapons Division, Point Mugu, CA
3. Naval Air Warfare Center, Aircraft Division, Patuxent River, MD
4. Naval Air Warfare Center, Aircraft Division, Lakehurst, NJ
5. Naval Research Lab, Washington, DC
6. Naval Research Lab Detachment, Bay St. Louis, MS
7. Naval Surface Warfare Center, Carderock Division, Bethesda, MD
8. Naval Surface Warfare Center, Crane Division, Crane, IN
9. Naval Surface Warfare Center, Dahlgren Division, VA
10. Naval Surface Warfare Center, Dahlgren Detachment, Panama City, FL
11. Naval Surface Warfare Center, Indian Head Division, VA
12. Naval Surface Warfare Center, Port Hueneme Division, Port Hueneme, CA
13. Naval Surface Warfare Center, Bayview, ID
14. Naval Command, Control, and Ocean Surveillance Center, San Diego, CA
15. Naval Command, Control, and Ocean Surveillance Center, In-Service Engineering Division, Charleston, SC
16. Naval Command, Control, and Ocean Surveillance Center, In-Service Engineering Division, Pearl Harbor, HI
17. Naval Aerospace Medical Research Center, Pensacola, FL
18. Naval Dental Research Lab, Great Lakes, IL
19. Naval Health Research Center, San Diego, CA
20. Naval Undersea Warfare Center, Keyport Division, Keyport, WA
21. Naval Surface Warfare Center, Carderock Division, Philadelphia Det., Philadelphia, PA
22. Naval Undersea Warfare Center, Newport, RI
23. Naval Research Lab, Monterey Det., Monterey, CA
24. Naval Air Systems Command (engineering functions)
25. Naval Sea Systems Command (engineering functions)
26. Naval Air Warfare Center Training Systems Division, Orlando, FL
27. Naval Clothing and Textile Research Facility, Natick, MA
28. Naval Facilities Engineering Service Center, Port Hueneme, CA
29. Naval Submarine Medical Research Laboratory, Groton, CT
30. AEGIS, Wallops Island, VA
31. AEGIS, Morrestown, NJ
32. Naval Warfare Assessment Division, Corona, CA
33. Explosive Ordnance Disposal Technical Center, Indian Head, MD

34. Naval Ordnance Center, Indian Head, MD
35. Naval Sea Logistics Center, Mechanicsburg, PA
36. Fleet Technical Support Center, Mayport, FL
37. Fleet Technical Support Center, San Diego, CA
38. Fleet Technical Support Center, Pearl Harbor, HI

Air Force

1. Air Force Research Laboratory, Wright-Patterson AFB, OH
 - Operating Locations:
 - a) Wright-Patterson AFB, OH
 - b) Brooks AFB, TX
 - c) Mesa, AZ
 - d) Eglin AFB, FL
 - e) Tyndall AFB, FL
 - f) Kirtland AFB, NM
 - g) Hanscom AFB, MA
 - h) Edwards AFB, CA
 - i) Griffiss AFB, Rome, NY
2. Aeronautical Systems Center, Wright-Patterson AFB, OH (engineering functions)
3. Electronic Systems Center, Hanscom AFB, MA (engineering functions)
4. Space & Missile Center, Los Angeles AFB, CA (engineering functions)
5. Air Armament Center, Eglin AFB, FL (engineering functions)
6. Oklahoma City Air Logistics Center, Tinker AFB, OK (engineering functions, excluding supply, depot maintenance, and host base support)
7. Ogden Air Logistics Center, Hill AFB, UT (engineering functions, excluding supply, depot maintenance, and host base support)
8. Warner-Robins Air Logistics Center, Robins AFB, GA (engineering functions, excluding supply, depot maintenance, and host base support)

Test and Evaluation Center Definition

Any facility or capability that will be used for data collection; and will be DoD-owned or DoD-controlled property (air/land/sea or space) or any collection of equipment, platforms, automated data processing equipment, or instrumentation that conducts a T&E operation and provides a deliverable T&E product.

List of DoD Test and Evaluation Centers**Army**

1. Aberdeen Test Center, Aberdeen Proving Ground, MD
2. Redstone Technical Test Center, Redstone Arsenal, AL
3. White Sands Missile Range, NM
4. Yuma Proving Ground, AZ
5. Dugway Proving Ground, UT
6. Aviation Technical Test Center, Ft. Rucker, AL
7. Kwajalein Atoll
8. Test and Experimentation Command, Ft. Hood, TX
9. Operational Threat Support Activity
10. Yuma Proving Ground, Cold Regions Test Center, Fort Greely, AK
11. Yuma Proving Ground, Tropic Test Activity, Panama
12. White Sands Missile Range, Electronic Proving Ground, Fort Huachuca, AZ

Navy

1. Naval Air Warfare Center, Weapons Division, China Lake, CA
2. Naval Air Warfare Center, Weapons Division, Point Mugu, CA
3. Naval Air Warfare Center, Aircraft Division, Patuxent River, MD
4. Naval Air Warfare Center, Aircraft Division, Lakehurst, NJ
5. Naval Research Lab, Washington, DC
6. Naval Surface Warfare Center, Carderock Division, Bethesda, MD
7. Naval Surface Warfare Center, Crane Division, Crane, IN
8. Naval Surface Warfare Center, Dahlgren Division, VA
9. Naval Surface Warfare Center, Dahlgren Detachment, Panama City, FL
10. Naval Surface Warfare Center, Indian Head Division, VA
11. Naval Surface Warfare Center, Port Hueneme Division, Port Hueneme, CA
12. Naval Command, Control, and Ocean Surveillance Center, San Diego, CA
13. Naval Command, Control, and Ocean Surveillance Center, In-Service Engineering Division, Charleston, SC
14. Naval Undersea Warfare Center, Keyport Division, Keyport, WA
15. Naval Surface Warfare Center, Carderock Division, Philadelphia Det., Philadelphia, PA

16. Naval Undersea Warfare Center, Newport, RI
17. Pacific Missile Range Facility, Kauai, HI
18. Atlantic Fleet Weapons Training Facility, Naval Station Roosevelt Roads, PR

Air Force

1. Air Force Flight Test Center, Edwards AFB, CA
2. Air Warfare Center, Nellis AFB, NV
3. Air Force Development Test Center, Eglin AFB, FL
4. Utah Test and Training Range, Hill AFB, UT
5. Air Force Flight Test Center (AFEWES), Ft. Worth, TX
6. Arnold Engineering Development Center, Arnold AFS, TN
7. 46th Test Group, Holloman AFB, NM
8. Nellis Range Complex, Nellis AFB, NV
9. 30th Space Wing, Vandenberg AFB, CA
10. 45th Space Wing, Patrick AFB, CA
11. Air Force Reserve Test Center, Tucson, AZ

Defense Special Weapons Agency

1. GREENFARM, NAS Miramar, CA
2. THUNDERBOLT, Milpitas, CA
3. DECADE, Arnold AFS, TN
4. Tonapah Test Range, Tonapah, NV
5. Thermal Radiation Simulator, Kirtland AFB, NM
6. Advanced Research Electromagnetic Simulator, Kirtland AFB, NM
7. PI X-Ray Simulator (DOUBLE EAGLE), San Leandro, CA
8. X-Ray Simulator (PITHON), San Leandro, CA
9. BLACKJACK 5, San Diego, CA

Defense Information Support Agency

Joint Interoperability Test Center, Ft. Huachuca, AZ

Ballistic Missile Defense Organization

National Testbed Facility, Falcon AFB, CO

Director, Test Systems Engineering and Evaluation

Precision Guided Weapons Countermeasures Test and Evaluation Directorate (OTD), White Sands Missile Range, NM

VISION 21 INFRASTRUCTURE DEFINITION**(Modified per Overarching-Integrated Product Team, August 28, 1996)**

"The airspace, land, seaspace, installations, buildings, facilities, roads, utilities, equipment, recurring activities and support services (including government and/or contractor manpower) on which the continuance and sustainment of an activity (lab, RDEC, warfare center, T&E center, technical tenant, etc.) depends."

Although all personnel, equipment and facilities not directly involved in warfighting are defined as support infrastructure in the DoD, this study is restricted to those technical activities involved with T&E, and support engineering. There is a further restriction in that general reductions of RDT&E personnel that are associated with the *Defense Planning Guidance (DPG) FY 1997-2001* reductions of 35% by FY 2001 will not be included.[†] Program/project owned equipment (except for fixed, non-mobile buildings and facilities) necessary to directly execute critical technical and acquisition functions, and scientists and engineers and reimbursable personnel performing direct workload are not part of infrastructure.^{††} The intent is to reduce the costs of overhead, support, general and administrative functions, not to reduce direct program/project workload or funding.

INFRASTRUCTURE COSTS: The DEPSECDEF 1 May 1996 tasking letter requested that the study should "Provide options by which the costs of the Laboratory infrastructure and the T&E infrastructure could each be reduced by at least 20% by FY2005." The following Cost Model, a steady state ratio of annual costs at the end of FY2005 in relation to those at the end of FY1995, will be used to calculate these reductions.

FY 2005 INFRASTRUCTURE COSTS (FY95\$)
(excludes BRAC related costs/savings)

----- = LESS THAN 80% (20% savings)
FY 1995 INFRASTRUCTURE COSTS (FY95\$)
(excludes BRAC related costs/savings)

Included in the cost model would be the following annual recurring costs, except those associated with the DPG 35% RDT&E reduction:

- Overhead: Command and Management, corporate staff and functional support not allocated to direct program/projects.
- Recurring Activities (e.g., training, entitlements, etc.)
- Support Services (e.g., communication, data links, WAN/LAN, custodial, real property maintenance, etc.)
- Deferred Liabilities (e.g., capital accounts for programmed upgrade, new capabilities and replacements, etc.)

Excluded from the cost model, for the purpose of this study, are: (1) all BRAC costs and savings, (2) one time costs or savings associated with the divestiture of real estate and buildings and equipment.

[†] However, for the purposes of meeting a 20% infrastructure cost reduction, manpower cost reductions resulting from closure, consolidation, restructuring and/or realignment of overhead and support activities may be included. These reductions will simultaneously count against the 35% reductions, but they must not be double counted for purposes of calculating total cost to the taxpayer of operating the defense lab and T&E systems.

^{††} However, Vision 21 consolidation/realignment actions which reduce direct personnel due to an increase in productivity will count against the 20% goal. The consolidating organization(s) must validate the productivity increase in order for the claimed cost saving to be counted.